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SUBJECT: PM TAPS TRADE MINISTRY TO TAKE OVER MAIN TIFA DUTIES

¶1. (U) This cable is Sensitive But Unclassified. For official use only, not for dissemination outside USG channels or posting on the internet.

¶2. (SBU) Summary: Prime Minister Nguyen Tan Dung has instructed the Trade and Industry Minister to take over the lead of the U.S. - Vietnam Trade and Investment Framework Agreement (TIFA), replacing the Office of the Government in chairing Vietnam's inter-agency group that deals with the agreement. End summary.

TRADE MINISTRY TO TAKE OVER TIFA  
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¶3. (SBU) The Government of Vietnam (GVN) confirmed by diplomatic note dated February 1 that MOIT would chair the "Vietnam - U.S. Inter-Government Cooperative Council," the GVN interagency working group in charge of TIFA implementation. The decision had been in the news and our contacts had mentioned this casually to us prior to the official notification. Up until then, the OOG --akin to the Prime Minister's Chief of Staff-- had chaired Vietnam's TIFA interagency group. OOG Chairman Nguyen Xuan Phuc led the GVN delegation at the first TIFA Council ministerial in United States in December, 2007.

¶4. (U) BEGIN TEXT of the Ministry of Foreign Affairs unofficial translation of the diplomatic note:

"Regarding to the expansion of bilateral cooperation under Vietnam - U.S. Trade and Investment Framework Agreement (TIFA), the Prime Minister of the Socialist Republic of Vietnam decides to appoint Mr. Vu Huy Hoang, Minister of Industry and Trade, replacing Mr. Nguyen Xuan Phuc, Minister/Chairman of the Office of the Government, to be the Chairman of the Vietnamese side in Vietnam - U.S. Inter-Government Cooperative Council."

END TEXT

MOIT AND OOG MINIMIZE THE IMPORTANCE  
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¶5. (SBU) An officer from the Americas Department of the Trade Ministry said that the Prime Minister "had always meant to have MOIT take the lead," and that the OOG had stepped in as caretaker while the MOIT reorganized itself after the merger of the ministries of Industry and of Trade in August 2007. Our OOG and MOIT contacts both noted that the OOG would continue to play an active role. In particular, Nguyen Hong Duong, Deputy Director of the Americas Department of the Ministry of Industry and Trade indicated that OOG's Bui Huy Hung will still coordinate TIFA issues with USTR at the working level.

COMMENT  
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¶6. (SBU) The text of the TIFA signed in June 2007 itself refers to the Minister of Trade as the lead on the Vietnamese side. We expect the MOIT to be just as cooperative as the OOG was during its five-month tenure at the chair.

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